

STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION
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INDIANAPOLIS, INDIANA 46204-2764

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**PETITION OF PSI ENERGY, INC.)
SEEKING AUTHORITY TO REFLECT)
ADDITIONAL VALUES OF QUALIFIED)
POLLUTION CONTROL PROPERTY)
UNDER CONSTRUCTION IN ITS RATES)
AND CHARGES FOR ELECTRIC)
SERVICE AS OF JUNE 30, 2002,)
PURSUANT TO IND. CODE SECTIONS)
8-1-2-6.6, AND 8-1-2-6.8 AND 170 I.A.C. 4-6-)
18; AND SEEKING APPROVAL OF AN)
ONGOING REVIEW PROGRESS)
REPORT CONCERNING CERTAIN)
CLEAN COAL TECHNOLOGY)
PROJECTS PURSUANT TO IND. CODE)
SECTION 8-1-8.7-7; AND SEEKING)
APPROVAL OF UPDATED COST)
ESTIMATES AND IN-SERVICE DATES)
FOR ENVIRONMENTAL PROJECTS)**

FILED

FEB 0 4 2003

**INDIANA UTILITY
REGULATORY COMMISSION**

CAUSE NO. 42061-S1

You are hereby notified that on this date the Indiana Utility Regulatory Commission ("Commission") made the following entry in this Cause:

The federal State Implementation Plan ("SIP" or "NO_x SIP Call") applicable to nitrogen oxides ("NO_x") and the related Indiana NO_x SIP Call requires PSI Energy, Inc. ("Petitioner" or "PSI") to reduce its NO_x emissions during the ozone season of May 1 through September 30 to a 0.15 lb/mmBtu by May 31, 2004. On July 3, 2002, this Commission issued an order in consolidated Cause Nos. 41744-S1 and 42061 ("July 3, 2002 Order") wherein among other things, the Commission found that PSI's NO_x Compliance Plan was reasonable; issued a certificate of public convenience and necessity for the use of clean coal technology; approved the use of PSI's proposed QPCP; approved PSI's updated cost estimates related to its NO_x Compliance Plan equipment; and approved a Standard Contract Rider No. 62 which allows for construction work in progress ("CWIP") ratemaking treatment for PSI's QPCP. Subsequently, PSI collected, under Rider 62, a return on its QPCP for amounts expended as of December 31, 2001. We found that PSI may update the value of its QPCP for CWIP ratemaking purposes no more often than every six months. Additionally, we found that, under our ongoing review rules, PSI should submit, at least annually, a progress report detailing any revisions in its cost estimates or in the planned construction of its clean coal technology projects.

In its July 3, 2002, Order the Commission granted the Petitioner's request for ongoing review of the construction of its clean coal technology projects under IC § 8-1-8.7-7. Pursuant to IC § 8-1-8.7-7, the utility shall submit at least annually a progress report detailing any revisions in the cost estimates or the planned construction. The Commission must hold a hearing before it may approve or deny a proposed increase in the cost estimate for the implementation, construction, or use of the clean coal technology. In addition, pursuant to the Commission's CWIP rules, and as discussed in our July 3, 2002 Order, CWIP ratemaking treatment is available for QPCP that has been under construction for six months or longer, and a utility can update the amounts of its CWIP balances no more often than every six months. *See* 170 I.A.C. 4-6-9, 4-6-18.

On September 4, 2002, PSI filed its Petition in this Cause for an initial six-month update proceeding with the Commission. In its Petition PSI sought to reflect additional values of qualified pollution control property ("QPCP") in its rates and charges for electric service as of June 30, 2002; sought approval of an ongoing review progress report concerning certain clean coal technology projects; and, sought approval to update cost estimates and in-service dates for environmental projects. The Commission issued an Order in this Cause on January 28, 2003.

The Presiding Officers recognize that the ongoing review requested by the Petitioner will necessitate periodic filings relating to environmental cost issues over an extended period of time. In order for the Commission to effectively track the requests; to ensure the same designation is in place for each utility that has requested ongoing review; and to conserve the Commission's cause numbers, the Presiding Officers have determined that subsequent filings relating to ongoing review of the issues in this Cause should continue to utilize the 42061 Cause Number, but should also include a designation for *Environmental Cost Review* ("ECR"). Accordingly, as the next filing to be made by PSI will be its second request for ongoing review, it should be filed as 42061 ECR 2. Subsequent filings on these issues should continue to utilize this format.

IT IS SO ORDERED.

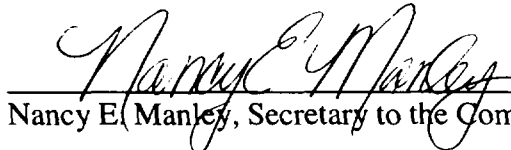


Judith G. Ripley, Commissioner



Scott R. Storms, Chief Administrative Law Judge

DATE 2/4/03



Nancy E. Manley, Secretary to the Commission